

DSHA Launches Two New Programs To Help Homebuyers

Dover, DE – Governor Jack Markell joined Delaware State Housing Authority (DSHA) Director Anas Ben Addi today to announce two new homeownership programs that will help make homeownership more affordable. DSHA-Paid Mortgage Insurance (MI) will give buyers a lower monthly housing payment by removing the requirement that they purchase mortgage insurance if they do not have a 20% downpayment at the time of settlement. The Home Purchase Rehab program will allow buyers to purchase a home at a low interest rate and make repairs and/or energy improvements in one simple loan.



“The new DSHA-Paid Mortgage Insurance and Home Purchase Rehab programs will put the dream of homeownership within reach for more families in Delaware,” said Governor Markell. “When houses are purchased and get repaired, our neighborhoods and our economy benefit – people are put to work, materials are bought, and pride of ownership becomes more evident in our neighborhoods.”

“DSHA makes it a priority to search for new and creative ways to expand the number of programs available to homebuyers so

that we can best meet their needs and offer products that will help them to be successful,” added DHSA Director Anas Ben Addi.

Generally, homebuyers who wish to purchase a home with less than a 20% downpayment are required to pay an additional monthly bill for mortgage insurance (MI). DSHA-Paid Mortgage Insurance will pay the required mortgage insurance cost on behalf of the homebuyer in exchange for a slightly higher interest rate. Homebuyers using the DSHA-Paid MI program will have a more affordable monthly housing cost because they will not be required to pay the monthly mortgage insurance premium in addition to their regular monthly mortgage payment. For example: If you purchase a home with a sales price of \$186,000, this program will allow you to purchase the home with a down- payment as little as \$5,580 and an estimated monthly payment of \$914.00. This is a savings of over \$70 per month, as compared to DSHA’s standard conventional loan with the same downpayment. This amounts to an annual savings of nearly \$900 per year, or the equivalent of an average monthly mortgage payment.

The Home Purchase Rehab program allows homebuyers who wish to purchase a home which is in need of repair or upgrading to take advantage of having the cost to purchase the home and the cost of the repairs (up to \$35,000) combined into one loan. Homebuyers may choose to do repairs as simple as painting, or replacing carpeting or appliances to as large as remodeling, accessibility modifications, a new roof, HVAC, or energy efficiency improvements. Most homeowners who take advantage of this program have a significant amount of equity in the home once the renovations are complete. In addition to financing the rehabilitation, DSHA increased the downpayment assistance available to up to \$10,000. This higher amount will help cover the cost of rehab inspections and other associated costs. To qualify for both programs, applicants must be income-eligible and not exceed a maximum loan amount

of \$417,000. Homebuyers can apply for DSHA mortgage programs through a participating lender. DSHA offers qualified Delawareans reduced mortgage rates through its Homeownership Loan Program as well as closing cost and downpayment assistance. For more information on all of DSHA's homeownership programs and a list of participating lenders visit: www.destatehousing.com.

About the Delaware State Housing Authority

The Delaware State Housing Authority (DSHA), formed in 1968, is dedicated to providing quality, affordable housing opportunities and appropriate supportive services to low- and moderate-income Delawareans. In addition to its role as the State's Housing Finance Agency, DSHA is unique in that it is also serves as a Public Housing Authority and acts as a Community Development and Planning Agency. As a Public Housing Authority, DSHA receives funding from HUD to build, own, and operate public housing in Kent and Sussex counties, two of Delaware's three counties. For more information about the Delaware State Housing Authority, please call: (888) 363-8808 or visit our website at: www.destatehousing.com.

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